

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57492; File No. SR-NASD-2007-021)

March 13, 2008

Self-Regulatory Organizations; National Association of Securities Dealers, Inc. (n/k/a Financial Industry Regulatory Authority, Inc.); Order Approving Proposed Rule Change to Amend the Definition of Public Arbitrator

On March 12, 2007, the National Association of Securities Dealers, Inc. (“NASD”), through its wholly owned subsidiary, NASD Dispute Resolution, Inc. (n/k/a FINRA Dispute Resolution, Inc.) filed with the Securities and Exchange Commission (“Commission”) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the definition of “public arbitrator” in the NASD’s Code of Arbitration Procedure for Customer Disputes (“Customer Code”) and Code of Arbitration Procedure for Industry Disputes (“Industry Code”).³ The proposed rule change was published for comment in the Federal Register on July 17, 2007.⁴ The Commission received 62 comments on the proposed rule change⁵ and FINRA’s response to the comments.⁶

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On July 26, 2007, the Commission approved a proposed rule change filed by NASD to amend NASD’s Certificate of Incorporation to reflect its name change to Financial Industry Regulatory Authority Inc., or FINRA, in connection with the consolidation of the member firm regulatory functions of NASD and NYSE Regulation, Inc. See Securities Exchange Act Release No. 56146 (July 26, 2007). In connection with this name change, NASD Dispute Resolution became FINRA Dispute Resolution, Inc. (“FINRA Dispute Resolution”).

⁴ See Securities Exchange Act Release No. 56039 (July 10, 2007), 72 FR 39110 (July 17, 2007).

⁵ Comment letters were submitted by Philip M. Aidikoff, Esq., Attorney, dated July 17, 2007 (“Aidikoff Letter”); Professor Seth E. Lipner, Zicklin School of Business, Baruch College, dated July 23, 2007 (“Lipner Letter”); Steven B. Caruso, Esq., President, Public Investors Arbitration Bar Association, dated July 23, 2007 (“PIABA Letter”), William S.

